
Medicaid Reserve

Description	FY 2003 Approved	FY 2004 Proposed	% Change
Operating Budget	\$87,367,430	\$25,559,600	-70.7

The mission of the Medicaid Reserve is to guarantee that adequate resources are available to support District-wide Medicaid costs.

As part of the District-wide Medicaid reform effort, the Medicaid Reserve, a financial entity, was established in FY 2003 to account for possible Medicaid revenue shortfalls within agencies that function as public providers of Medicaid/Medicare and other Federal reimbursable services. These agencies include Child and Family Services, the Department of Mental Health, D.C. Public Schools and the

Department of Human Services. These funds will be made available to those agencies that experience lower than projected Medicaid/Medicare and other federal revenue.

In addition, the reserve shall be used to support Medicaid reform activities intended to establish cost-effective, agency-based Medicaid billing operations and to optimize Medicaid and other third-party revenues.

Where the Money Comes From

Table MR0-1 shows the sources of funding for the Medicaid Reserve Fund

Table MR0-1

FY 2004 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

	Actual FY 2001	Actual FY 2002	Approved FY 2003	Proposed FY 2004	Change From FY 2003	Percent Change
Local Fund	0	0	87,367	25,560	-61,808	-70.7
Total for General Fund	0	0	87,367	25,560	-61,808	-70.7
Gross Funds	0	0	87,367	25,560	-61,808	-70.7

How the Money is Allocated

Table MR0-2 shows the FY 2004 proposed budget for the agency at the Comptroller Source Group level (Object Class level).

Table MR0-2

FY 2004 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	Actual FY 2001	Actual FY 2002	Approved FY 2003	Proposed FY 2004	Change from FY 2003	Percent Change
50 Subsidies and Transfers	0	0	87,367	25,560	-61,808	-70.7
Subtotal Nonpersonal Services (NPS)	0	0	87,367	25,560	-61,808	-70.7
Total Proposed Operating Budget	0	0	87,367	25,560	-61,808	-70.7

General Fund

Local Funds. The proposed budget is \$25,559,600, representing a decrease of \$61,807,830 from the FY 2003 approved budget of \$87,367,430. There are no FTEs funded by Local sources, representing no change from FY 2003.

Changes from the FY 2003 approved budget are:

- A transfer of \$11,000,000 to the Child and Family Services Agency to cover the anticipated reduction in TANF funding in FY 2004 for the Family Preservation program, previously funded by DHS through an Intra-District agreement.
- A transfer of \$1,100,000 to the Child and Family Services Agency to cover the anticipated reduction in funding by federal courts

for social worker salaries.

- A transfer of \$7,795,430 to the Department of Human Services to conform with the OCFO Medicaid certification process.
- A reduction of \$20,184,301 in the Medicaid Reserve allocation for the Special Education program within the District of Columbia Public Schools.
- A transfer of \$21,728,099 to the Department of Mental Health to conform with the OCFO Medicaid revenue certification process. This amount is based upon an alignment of agency revenue projections with the Office of Research and Analysis' certified revenues for Medicaid and Medicare.

The proposed allocation of the remaining funding among District agencies, contingent on demonstrating need, is as follows:

- A total of \$18,743,901 may be allocated to the Child and Family Services Agency. Specifically, \$6,000,000 may be allocated to support the agency's Title IV-E reimbursement services. An additional \$12,743,901 may be allocated to align funding with the agency's projected revenue collection for Medicaid reimbursable services, in compliance with the Office of Research and Analysis's (ORA's) certified revenues for Medicaid and Medicare.
- \$6,815,699 may be allocated for Medicaid reimbursable services furnished by the Special Education program within the District of Columbia Public Schools.
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For more detailed information regarding the proposed funding for the activities within this program please see schedule 30-PBB in the FY 2004 Operating Appendices volume.